

# American Rescue Plan Act

Coronavirus State and Local Fiscal Recovery Funds



# Overview

- Passed in March 2021
- Washington cities will receive approximately \$1.2 billion
- Washington counties will receive approximately \$1.48 billion
- State set to receive \$4.43 billion
- Jurisdictions have until December 31, 2024, to obligate funds –  
December 31, 2026, to spend funds.

# How do we receive funds?

- Entitlement cities (typically cities over 50,000) and counties will receive funds directly from Treasury
- Nonentitlement cities (typically cities under 50,000) will receive funds through the state

# How much will we receive?

- Entitlement cities and counties receive funds based on a modified CDBG formula.
- Non-entitlement cities will receive an allocation based on population but capped at 75% of a city's most recent budget as of January 27, 2020.
- Funds split into two tranches:
  - First tranche in 2021
  - Second tranche roughly 12 months after the first tranche

# Interim Final Rule

- Final rule is expected soon?

# How can funds be spent?

1. Public health response to COVID-19 emergency
2. Address the negative economic impacts caused by the public health emergency (public assistance)
3. Replace lost public sector revenue
4. Provide premium pay for essential workers
5. Invest in water, sewer, and broadband infrastructure
6. Administrative costs

# Public health response to COVID-19 emergency

- COVID-19 mitigation and prevention activities – including building modifications
- Medical expenses for care and services to address short- and long-term needs
- Behavioral health care: mental health, substance misuse, DV services
- Public health and safety staff payroll and benefits
- Activities to address the disparities in public health outcomes

# Negative Economic Impacts

- Help households and individuals
- Assist small businesses & local non-profits
- “Broad latitude” to address impact on local governments’ ability to deliver general government services; rehiring staff
- Aid to impacted industries



# Replace lost public sector revenue

- Compares actual pandemic-era revenue to an estimate of revenue if the pandemic had not occurred
- Taken as a whole, not account-by-account. Does not include utility losses.
- Revenue loss is different for every community, so Treasury will allow calculations at 4 points in time: December 31, 2020; December 31, 2021; December 31, 2022; December 31, 2023
- Broad latitude to use funds for provision of government services, such as infrastructure maintenance or pay-go infrastructure projects; examples:
  - Roads, modernization of cybersecurity, health services, environmental remediation, school or educational services, the provision of public safety services (e.g., police and fire)

# Provide premium pay for essential workers

- Direct payments to essential workers or grants to 3rd -party employers with eligible workers
- Work must involve regular in-person interactions or regular physical handling of items that were also handled by others – Does not include teleworkers.
- Review Treasury guidance and Washington Law before providing retroactive pay

# Invest in water and sewer

- Drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems
- Wastewater infrastructure, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works
- Refer to DWSRF and CWSRF for categories that are eligible.

# Broadband infrastructure

- Focus on unserved or underserved - lacking a wireline connection or with speeds less than 25 Mbps Download – 3 Mbps Upload
- Prioritize middle-mile and last-mile connections to households and businesses
- Goal of 100 Mbps Download – 100 Mbps Upload

# Administrative costs

- Direct and indirect costs
- Allows for costs to ensure proper use of funds

# Treasury FAQ 2.3

The Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but which meet the objectives of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

# Reporting requirements

- More details on reporting requirements are forthcoming. Still waiting on reporting system for NEUs.
- Financial records and supporting documents must be kept for five years after all funds are expended.

# Reporting deadlines

**Table 2: Reporting requirements by recipient type**

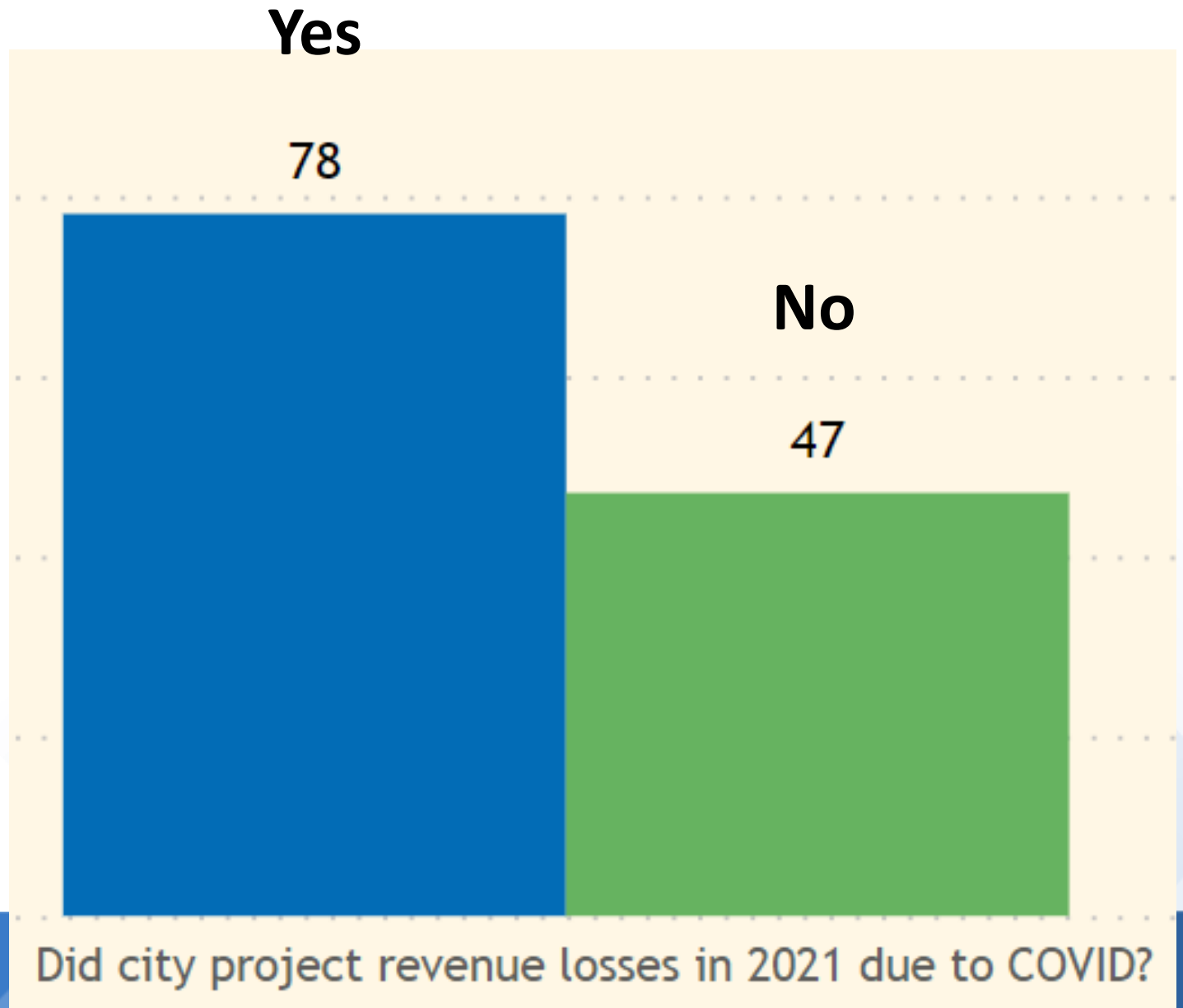
Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, with expenditures by category	<del>By October 31, 2021, and then</del> 30 days after the end of each quarter thereafter <sup>9</sup>	By August 31, 2021, and annually thereafter by July 31 <sup>10</sup>
Metropolitan cities and counties with a population below 250,000 residents which received more than \$5 million in SLFRF funding		<del>By October 31, 2021, and then</del> annually thereafter <sup>11</sup>	Not required
Tribal Governments			
Metropolitan cities and counties with a population below 250,000 residents which received less than \$5 million in SLFRF funding			
NEUs	Not required		



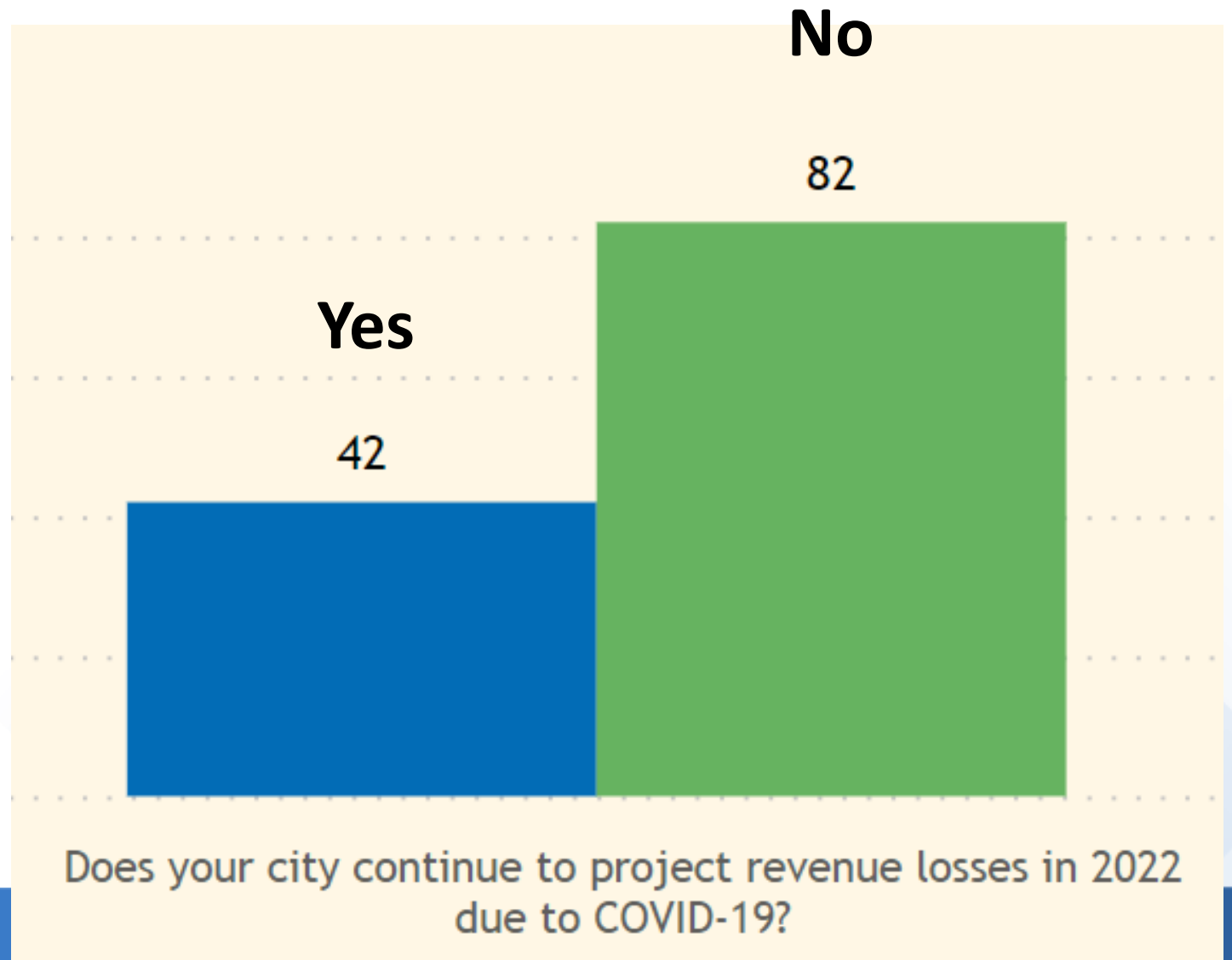
# New reporting deadlines

- For States, U.S. territories, metropolitan cities and counties, and Tribal Governments, the report will now be due on January 31, 2022, and will cover the period between award date and December 31, 2021.
- For non-entitlement units of government (NEUs), the Project and Expenditure report will now be due on April 30, 2022, and will cover the period between award date and March 31, 2022.

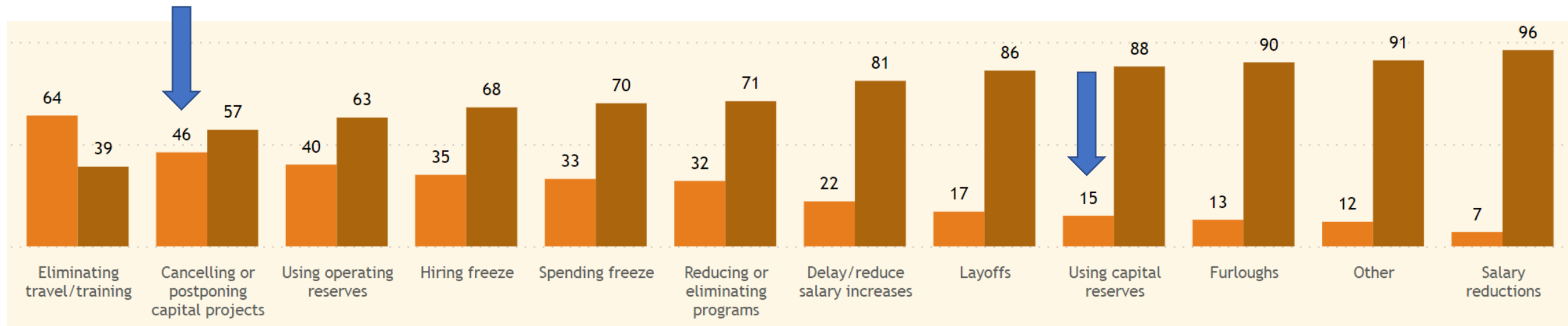
AWC City  
Conditions  
Survey



# AWC City Conditions Survey

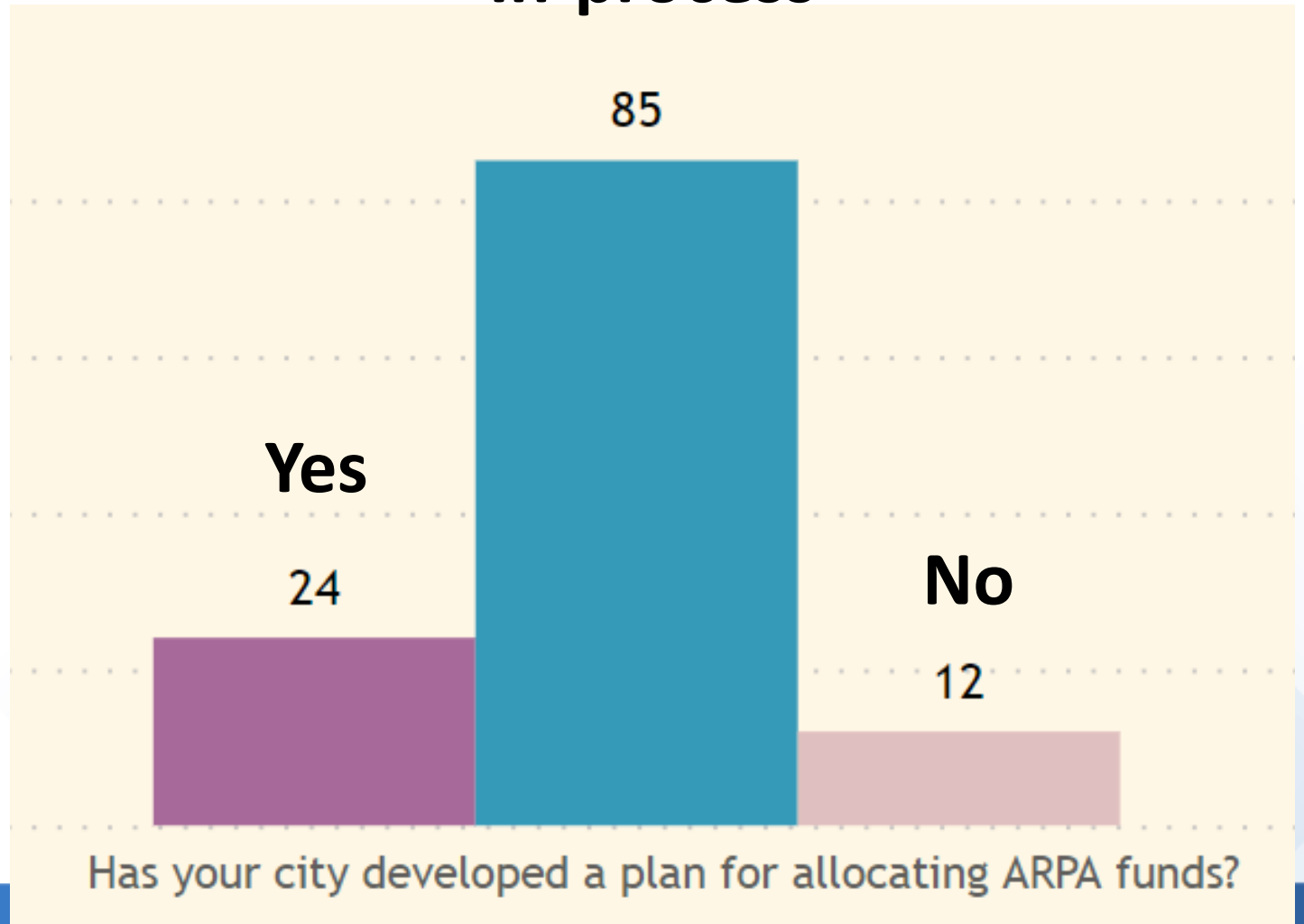


# What actions cities took in 2021 due to COVID economic impacts

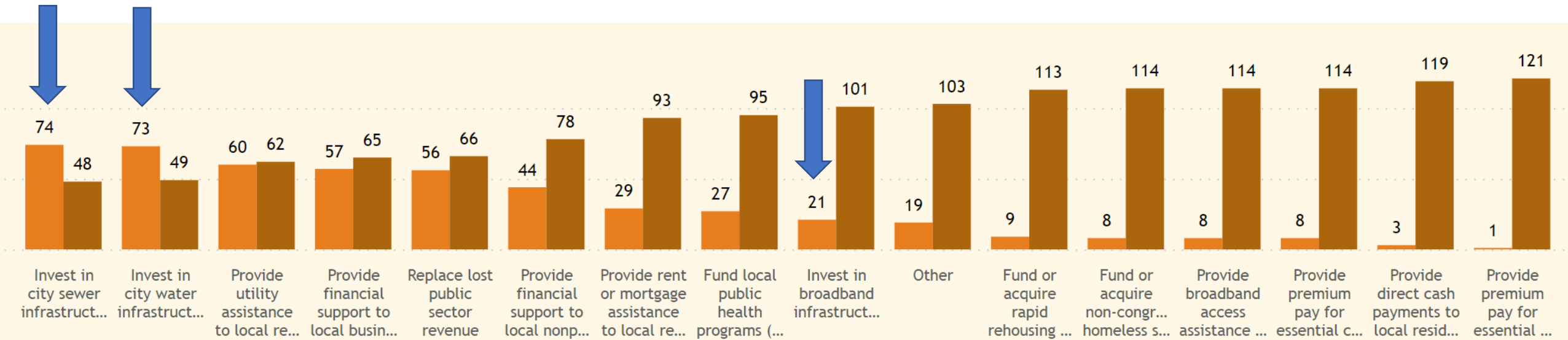


# AWC City Conditions Survey

## In-process



# How do you anticipate using ARPA funds?



# Remember:

- There are available federal funds for a variety of programs
- Don't spend all your money right away
- Collect community input
- Collaborate with neighboring cities and counties
- Document, document, document
- Remember Federal Delegations

# Resources

- Treasury
- NLC/NACo
- MRSC
- AWC/WSAC



# Contact

- Treasury
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